

The Center for



Rural Pennsylvania

A Legislative Agency of the Pennsylvania General Assembly

***Aspire* Rural Maryland**

December 3, 2015

**Developing Capacity through
Community Philanthropy**



Today's Conversation

- Brief Overview of The Center for Rural Pennsylvania
- Pennsylvania's Transfer of Wealth
- Success Stories and Options for Maryland
- Comments and Questions

WHAT DO YOU
ASPIRE FOR
RURAL MARYLAND?

Center for Rural Pennsylvania

**Legislative research agency of
the Pennsylvania General
Assembly** *(Act 16, 1987 & Act 12, 2009)*

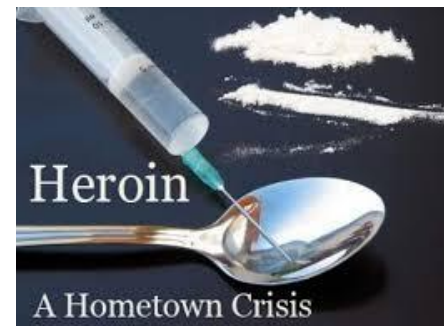
Mandates

- **Administer grants to conduct research on rural conditions.**
- **Maintain a database on rural conditions and needs.**

The Center for Rural Pennsylvania

Recent Research Reports

- Rural Homelessness
- Analysis of Hate Crimes & Bias Incidents
- Micro-financing in Rural Pennsylvania
- Status of Rural Nonprofits
- Municipal Financial Conditions
- Firefighter Recruitment and Retention
- Pennsylvania State Police Coverage of Municipalities
- Impact of Marcellus Gas Drilling on Rural Drinking Water Supply
- Rural Telehealth
- Status of Municipal Pension Funds
- Pennsylvania's Charter/Cyber schools
- PA's Public Health Crisis - Heroin



Center's Database

- Pennsylvania's most comprehensive database on rural trends and conditions
- Grants program "feeds" the database
- Data available on Center's website or via email

| | Pennsylvania | Rural Counties | Urban Counties | Adams | Allegheny | Armstrong | Beaver | Bedford | Berks | Blair |
|------------------------|--------------|----------------|----------------|--------|-----------|-----------|---------|---------|---------|---------|
| Total Population, 1960 | 11,319,366 | 3,050,513 | 8,268,853 | 51,906 | 1,628,587 | 79,524 | 206,948 | 42,451 | 275,414 | 137,000 |
| 4 Years Old, 1960 | 1,187,954 | 316,447 | 871,507 | 5,863 | 172,477 | 8,429 | 23,841 | 4,757 | 26,461 | 13,000 |
| 9 Years Old, 1960 | 1,101,757 | 303,819 | 797,938 | 5,579 | 160,642 | 8,284 | 21,821 | 4,332 | 24,022 | 13,000 |
| 14 Years Old, 1960 | 1,005,379 | 289,468 | 715,911 | 5,017 | 140,618 | 7,910 | 19,320 | 4,179 | 22,855 | 12,000 |
| 19 Years Old, 1960 | 799,536 | 236,290 | 563,246 | 4,429 | 107,128 | 5,881 | 14,321 | 3,567 | 17,725 | 9,000 |
| 24 Years Old, 1960 | 615,299 | 168,518 | 446,781 | 3,565 | 85,006 | 3,922 | 11,192 | 2,479 | 14,033 | 6,000 |
| 29 Years Old, 1960 | 645,577 | 164,855 | 480,722 | 3,024 | 91,561 | 4,198 | 12,475 | 2,441 | 16,047 | 7,000 |
| 34 Years Old, 1960 | 767,640 | 194,636 | 573,004 | 3,235 | 114,245 | 5,256 | 15,382 | 2,735 | 19,021 | 8,000 |
| 39 Years Old, 1960 | 888,500 | 222,888 | 665,612 | 3,544 | 131,521 | 5,742 | 16,821 | 2,981 | 19,911 | 9,000 |
| 44 Years Old, 1960 | 999,500 | 250,000 | 749,500 | 3,853 | 148,521 | 6,229 | 18,321 | 3,261 | 19,730 | 10,000 |
| 49 Years Old, 1960 | 1,101,757 | 277,757 | 824,000 | 4,162 | 165,521 | 6,716 | 19,821 | 3,751 | 19,032 | 11,000 |
| 54 Years Old, 1960 | 1,203,964 | 300,964 | 903,000 | 4,471 | 182,521 | 7,203 | 21,321 | 4,001 | 17,817 | 12,000 |
| 59 Years Old, 1960 | 1,306,171 | 323,171 | 983,000 | 4,780 | 199,521 | 7,694 | 22,821 | 4,251 | 16,507 | 13,000 |
| 64 Years Old, 1960 | 1,408,378 | 345,378 | 1,063,000 | 5,089 | 216,521 | 8,185 | 24,321 | 4,501 | 15,292 | 14,000 |
| 69 Years Old, 1960 | 1,510,585 | 367,585 | 1,143,000 | 5,398 | 233,521 | 8,676 | 25,821 | 4,751 | 14,077 | 15,000 |
| 74 Years Old, 1960 | 1,612,792 | 389,792 | 1,223,000 | 5,707 | 250,521 | 9,167 | 27,321 | 5,001 | 12,862 | 16,000 |
| 79 Years Old, 1960 | 1,715,000 | 412,000 | 1,303,000 | 6,016 | 267,521 | 9,658 | 28,821 | 5,251 | 11,647 | 17,000 |
| 84 Years Old, 1960 | 1,817,207 | 434,207 | 1,383,000 | 6,325 | 284,521 | 10,149 | 30,321 | 5,501 | 10,432 | 18,000 |
| 89 Years Old, 1960 | 1,919,414 | 456,414 | 1,463,000 | 6,634 | 301,521 | 10,640 | 31,821 | 5,751 | 9,217 | 19,000 |

A Comparison of Rural and Urban Middle-Income Households

Introduction

This study compares Pennsylvania's rural and urban middle-income households, which are defined as those with yearly incomes of \$37,501 to \$57,000. Using the 2006 and 2007 Rural Pennsylvania Current Population Survey (RuralCPS), the Center for Rural Pennsylvania identified these households as middle-income since they were in the middle one-fifth of the Pennsylvania income distribution. The analysis included five factors affecting rural and urban middle-income households: demographic

A 60-Year Perspective on Pennsylvania's Rural Population

March 2009

changed over the past 60 years and what kind of changes might be in the future. This report uses population data and population projections by the Center for Rural Pennsylvania to show that Pennsylvania's rural population is likely to grow slowly and unevenly, and at a slower rate than the state's total population.

Findings

Rural Pennsylvania Population Change 1970 to 2000
 • In 1970, Pennsylvania's 48 rural counties were home to 3.05 million residents. By 2000, that number increased to 3.39 million, an increase of 11 percent.
 • Rural Pennsylvania experienced uneven population growth over this period. Adams, Berks, Centre, Monroe and Pike counties accounted for 73 percent of this growth and 14 counties lost population.
 • Rural population change was significantly correlated with changes in the number of minorities, employment, and housing units. This suggests that, as population increased, so did the number of minorities, employment and the number of new homes.
 • Population increase was driven by a combination of natural increase and migration. During this period, 27,900 more births than deaths. Rural Pennsylvania also experienced three migration waves over this period. During the first wave, from 1970 to 1980, rural counties gained about 92,200 new residents. During the second, from 1980 to 1990, rural counties gained about 110,300 residents because of out-migration. During the third, from 1990 to 2000, rural counties gained nearly 101,500 people. The net result of these three waves was a gain of more than 200,000 people.
 • The last rural migration wave (1990-2000),

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March 2006

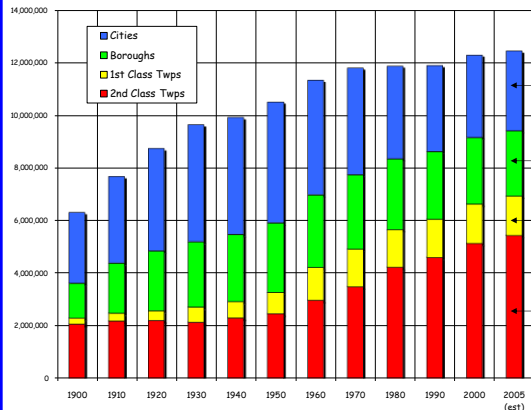
Survey of Small-Town Police Departments

Introduction

Among Pennsylvania's nearly 2,600 municipalities, 1,124 have police departments. Fifty-six percent of these police departments serve municipalities with less than 10,000

Number of Police Departments

In 2003, there were 1,124 municipal police departments in Pennsylvania, according to the CCLSS. These departments provide policing services to 53 percent of the state's



3.0 Million
24%

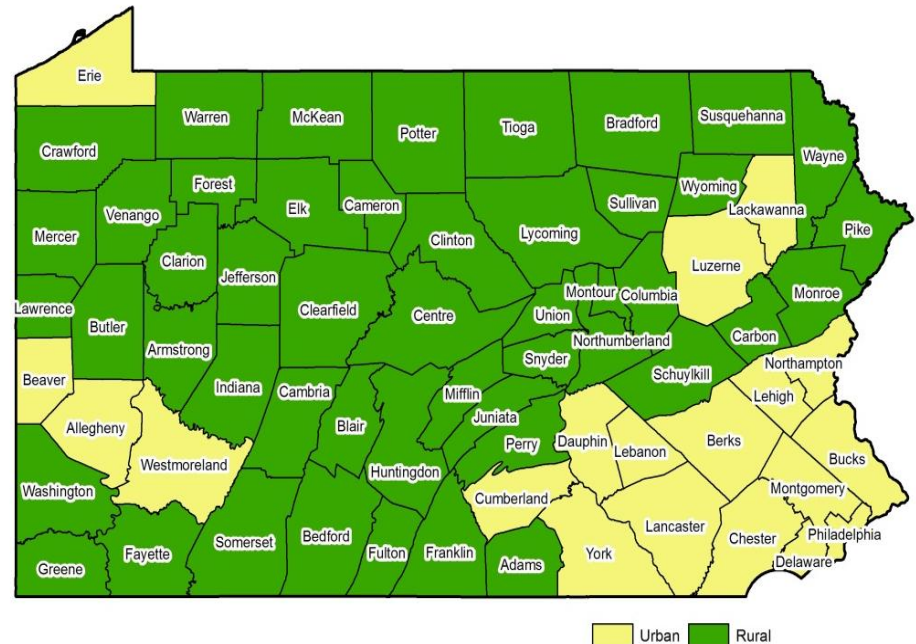
2.5 Million
20%

1.5 Million
12%

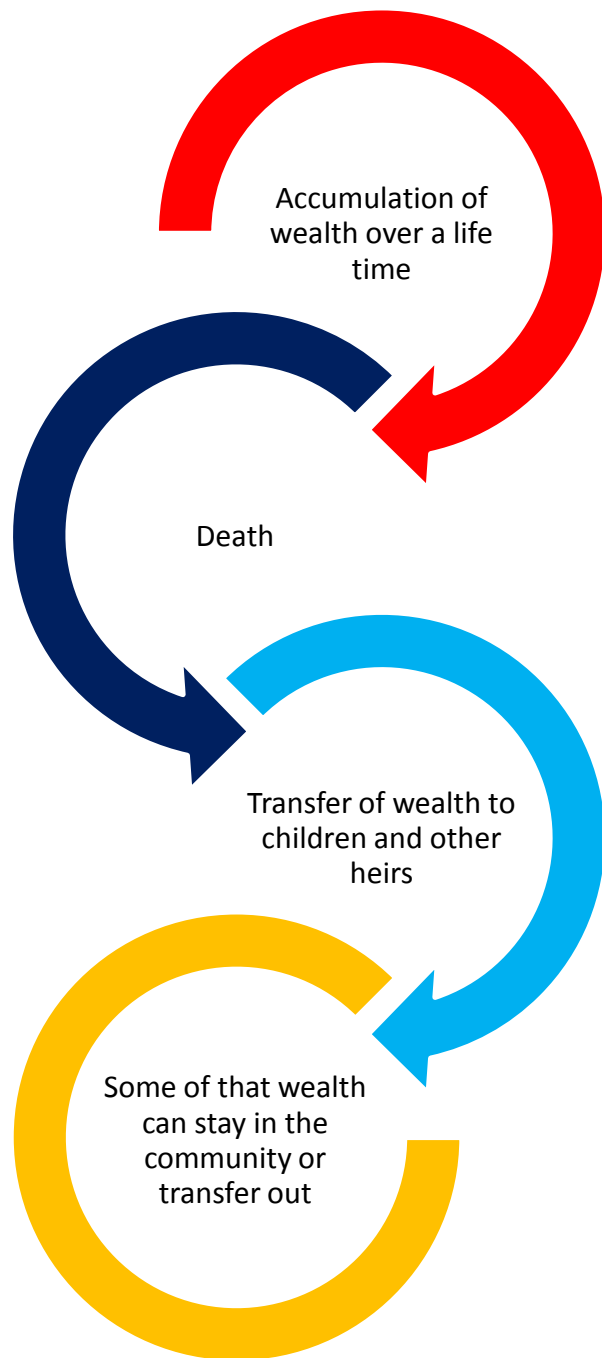
5.4 Million
44%

Rural Pennsylvania: Did You Know?

- Rural Pennsylvanians (3.5 million) represent almost 27% of the state's population.
- Rural Pennsylvania comprises 75% of the state's land area.
- According to the U.S. Census Bureau, Pennsylvania has the third largest rural population in the nation: Texas is first, followed by North Carolina.
- 48 of Pennsylvania's 67 counties are classified as rural.
- Only Delaware and Philadelphia Counties have no rural population.

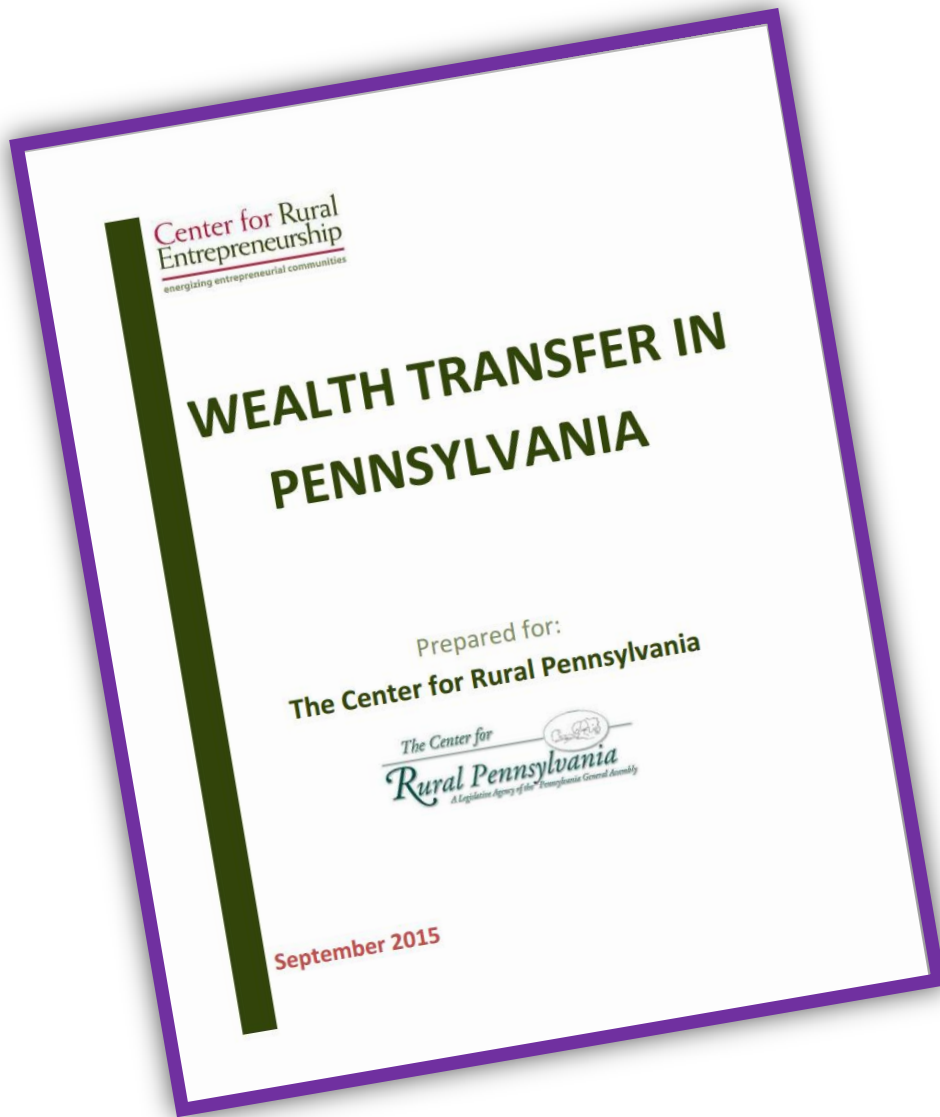


What is the Transfer of Wealth and Why is it Important?



- Lots of money– \$309.9 billion over the next 10 years.
- Accelerated rate of transfer as Baby Boomers pass on.
- Community investment lost if heirs live elsewhere and take the money with them.
- “Capturing” some this wealth can benefit locally determined goals/opportunities.

Why Did the Center Look at Wealth Transfer?



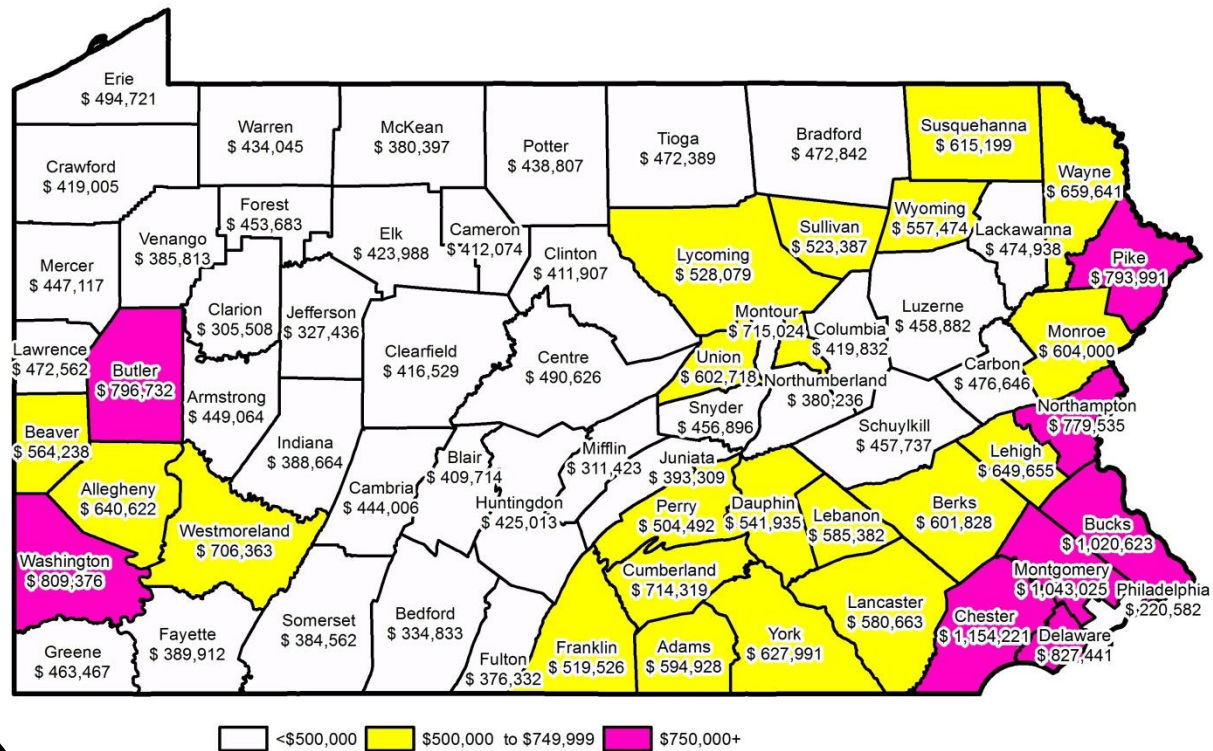
- Part of national effort in TOW.
- Initial 2008 TOW affected by Recession and Marcellus Shale
- Provide most current data to communities.
- Supports longstanding work on helping rural communities determine their future.
- TOW effort and philanthropic development are locally controlled.



**How Much Wealth is in
Pennsylvania?**

Pennsylvanians' Net Worth, 2015

Average Net Worth per Household, 2015



Average Net Worth Per Household, 2015

Rural Pennsylvania = \$505,149

Urban Pennsylvania = \$650,182

Total Net Worth, 2015

Urban Pennsylvania
\$2.41 Trillion
77%

Rural Pennsylvania
\$703.9 Billion
23%

Household Income in Rural Pennsylvania by Quintile, 2009-13

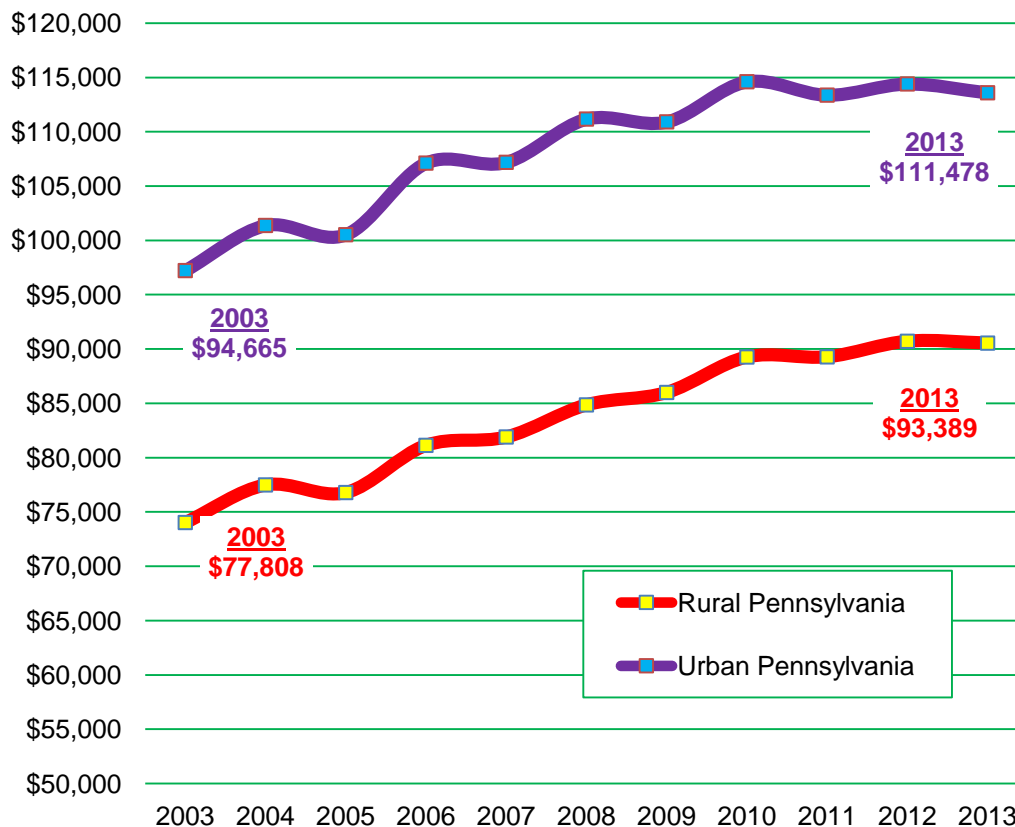


| Bottom 20% | Low Middle 20% | Middle 20% | Upper-Middle 20% | Top 20% |
|--|--|---|---|--|
| Total Income \$3.3 Billion Avg. Income \$12,257 # Households 271,960 | Total Income \$7.9 Billion Avg. Income \$29,072 # Households 271,704 | Total Income \$12.9 Billion Avg. Income \$47,499 # Households 271,690 | Total Income \$19.5 Billion Avg. Income \$71,765 # Households 271,697 | Total Income \$37.7 Billion Avg. Income \$138,622 # Households 271,693 |

Change in Wealth

Wealth per Capita, 2003 to 2013

(Personal Income + Market Values)/Population



- Rural Pennsylvania rebounded faster from the Great Recession than urban Pennsylvania.
- From 2003-13, wealth in Rural Pennsylvania increased faster (22%) than urban Pennsylvania (17%).
- Gaps in wealth between rural and urban Pennsylvania decreased 1%.

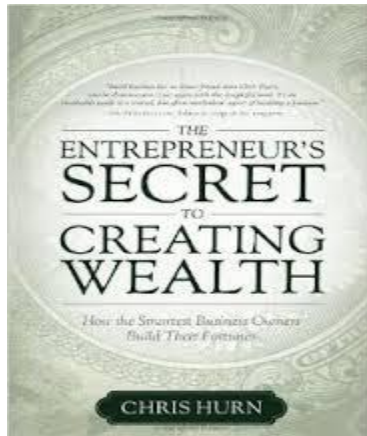
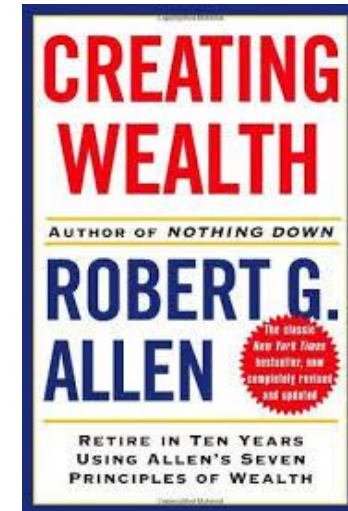
Data adjusted for inflation using the CPI-U with 2013 = 100

Data sources: Pennsylvania State Tax Equalization Board and the U.S. Bureau of Economic Analysis



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How is Wealth Created?

Wealth Driver: Education

Rural Pennsylvania Adults
(25+) With College Degree or
Higher

1970*
6.3%

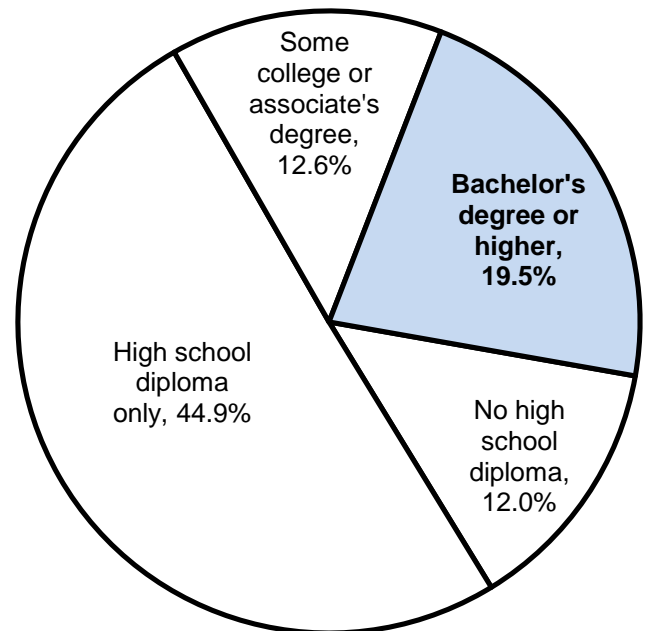
1980*
9.7%

1990
12.1%

2000
15.4%

2009-13
19.5%

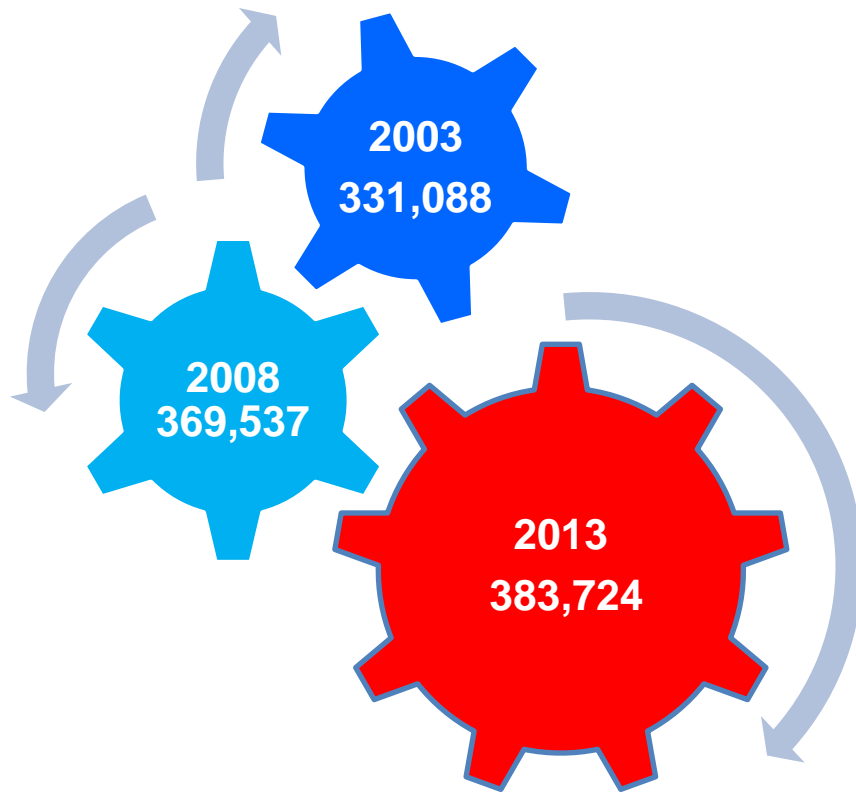
Highest Level of
Educational
Attainment Rural
Pennsylvania ,
2009-13



**1970 and 1980 data includes only adults with 4 or more years of college
Data sources: Decennial Censuses and 2009-13 American Community Survey, U.S. Census Bureau*

Wealth Drivers: Self-Employment

**Number of Self-Employed Persons in
Rural Pennsylvania,
2003, 2008, and 2013¹**

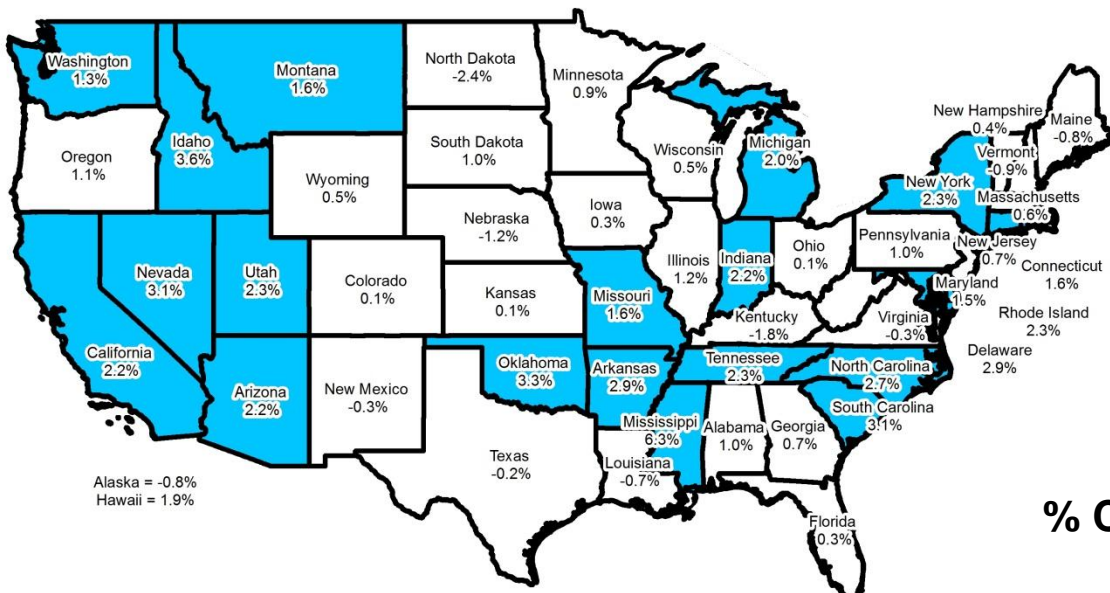


**8% of All Full-Time,
Year-Round
Workers in Rural
Pennsylvania are
Self Employed²**



1. *Proprietor employment, U.S. Bureau of Economic Analysis.*
2. *2009-13 American Community Survey, U.S. Census Bureau*

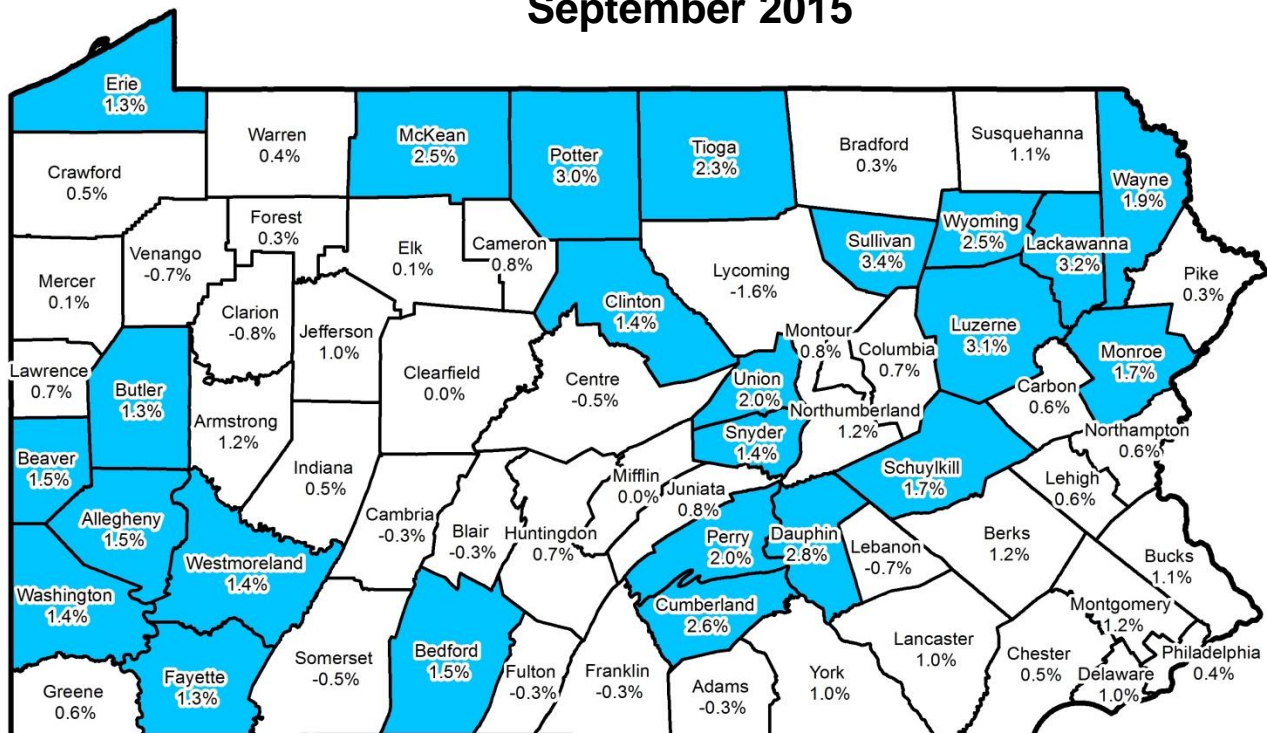
Wealth Driver: Employment



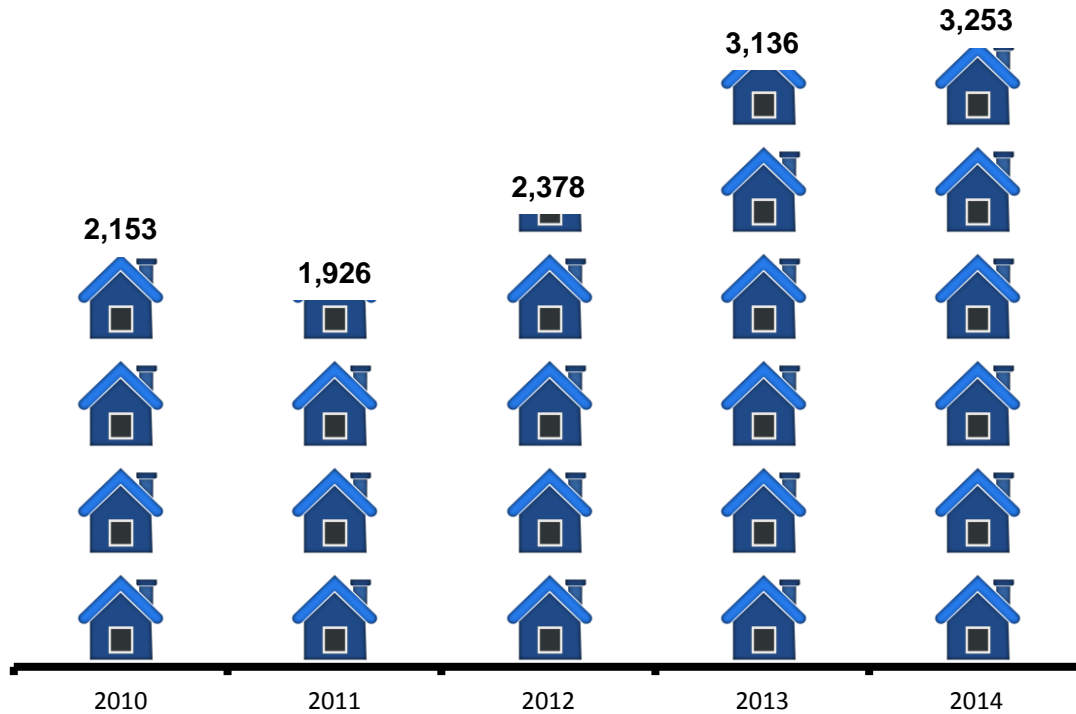
% Change in Employment,
September 2014 to
September 2015

National Rate = 1.2%

At or Below the National Rate
Above the National Rate

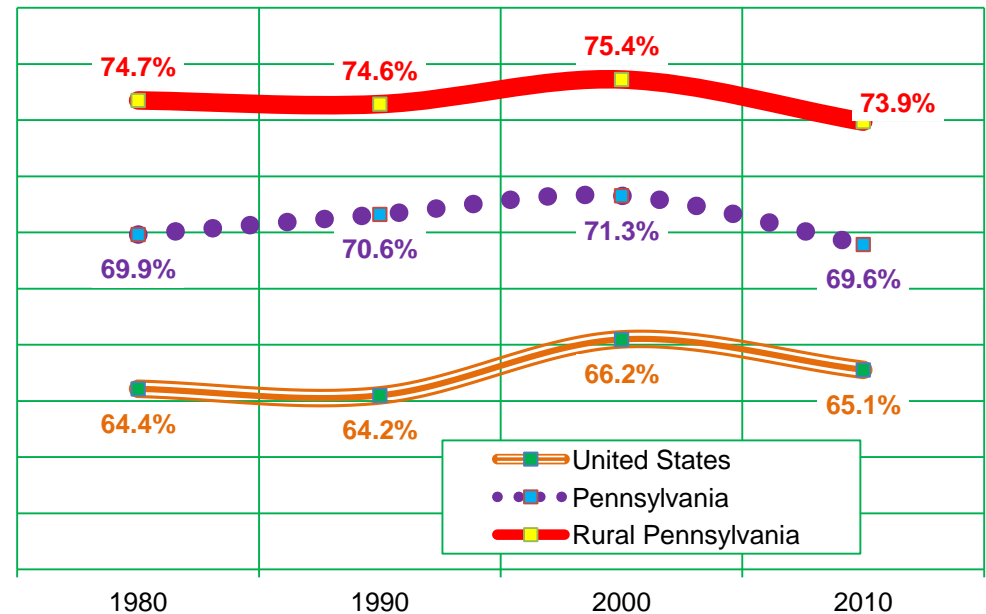


Wealth Driver: Homeownership



First-time
Homebuyers in
Rural
Pennsylvania,
2010 to 2014

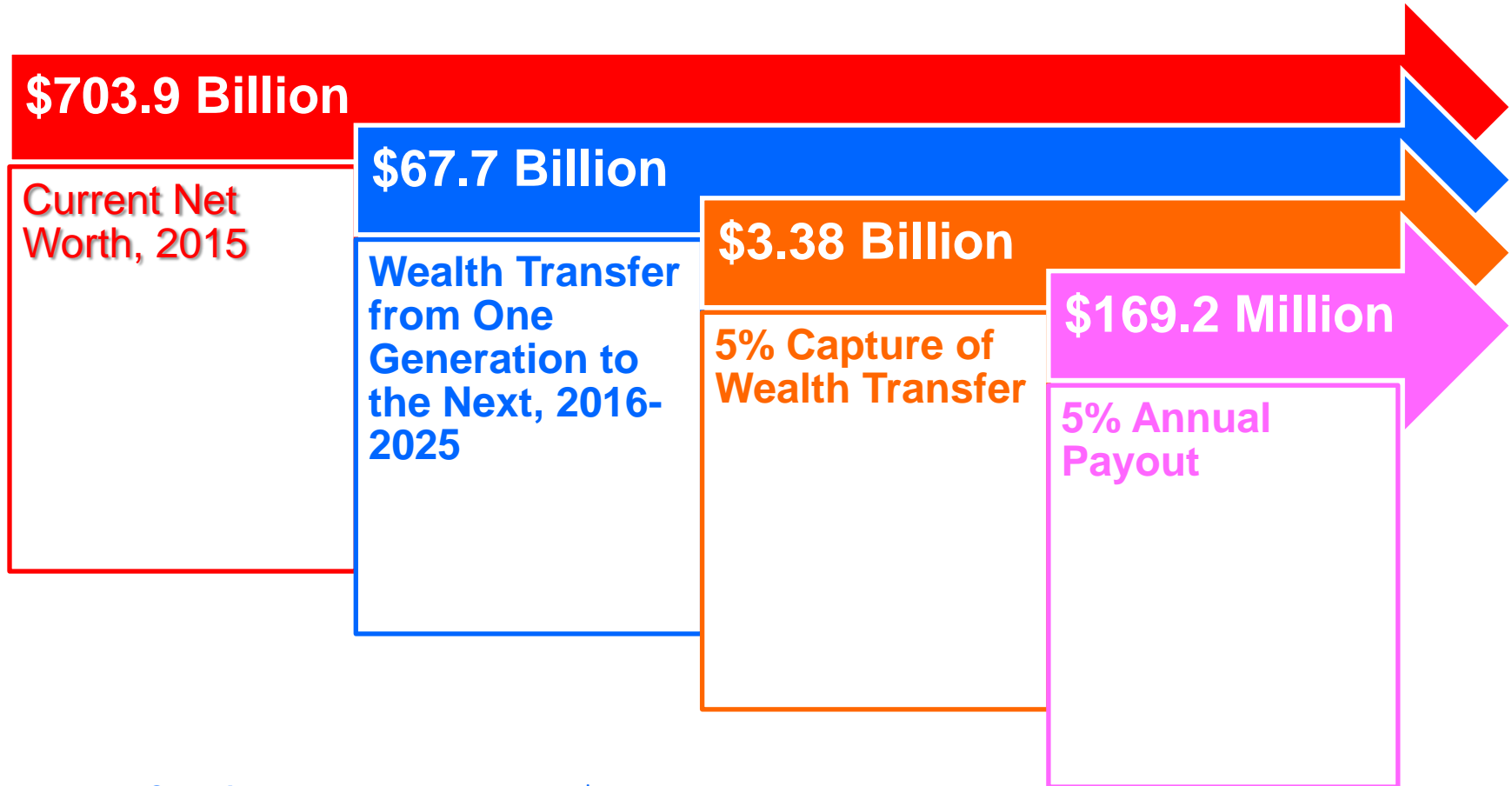
Homeownership
Rates,
1980 to 2010





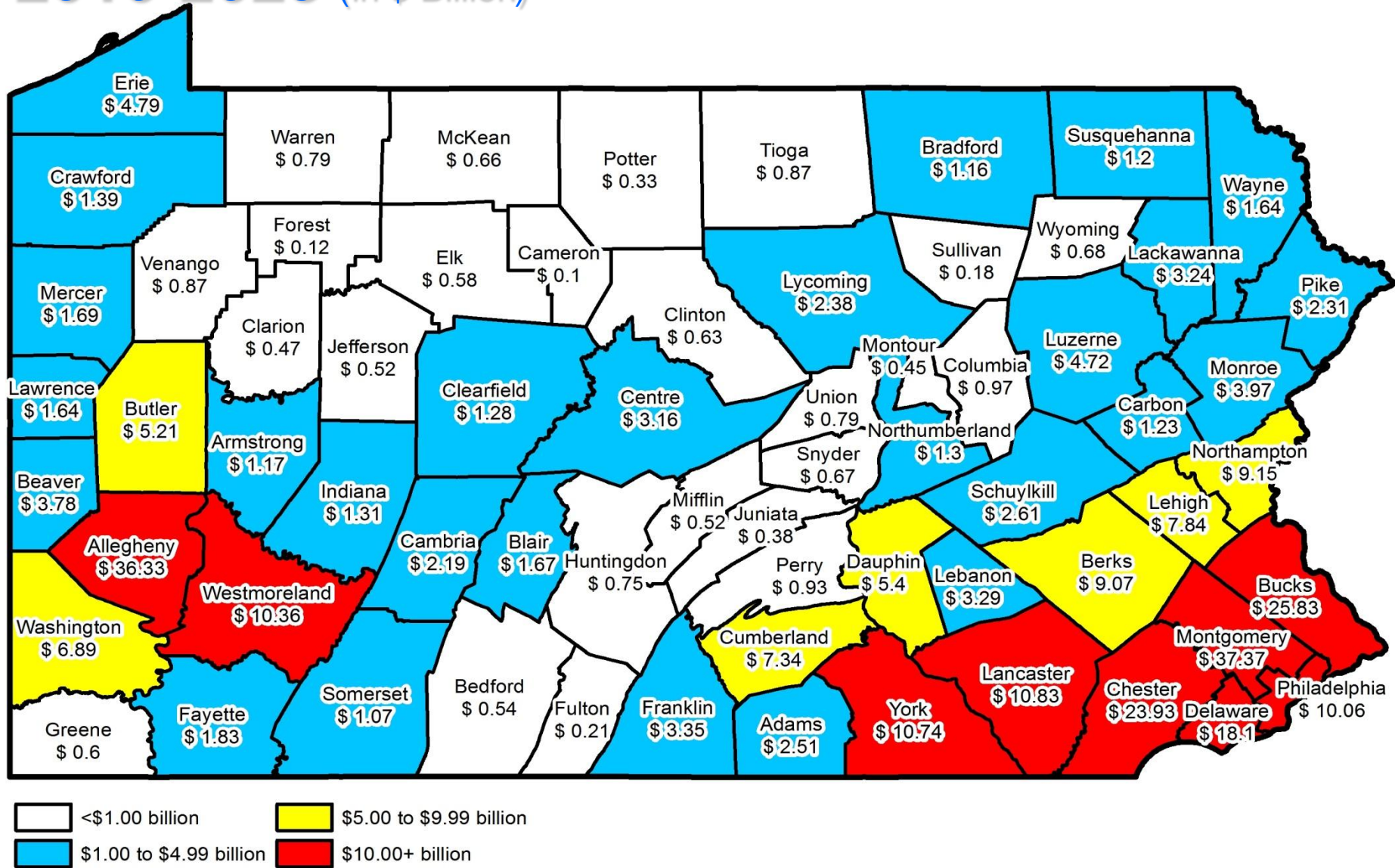
**How Much Wealth Will be Transferred
to the Next Generation?**

Transfer of Wealth (TOW) in Rural Pennsylvania from One Generation to the Next, 2016 to 2025



Rural Counties TOW per Household = \$48,636
Urban Counties TOW per Household = \$65,306

Pennsylvania's Transfer of Wealth, 2016-2025 (in \$ Billion)



TOW, By Itself, Does Not Guarantee Community Philanthropy

- Identify needs and opportunities
- Create a Vision for the Future
- Develop an action plan with local input and buy-in
- Recognize long-term trends can't be turned around overnight
- Measure and celebrate success along the way

Pennsylvania's Rural Youth Project –

A six year study

Understand rural youth's *educational, career* and *residential* aspirations, how they change over time, and the factors associated with those aspirations



What are the Youth Educational & Occupational Aspirations?

| | 7 th Grade | 11 th Grade |
|---|--------------------------|---------------------------|
| Educational Aspirations | | |
| 4 Years College | 67.8 | 68.4 |
| Vo-tech or 2 Year College | 13.3 | 20.9 |
| High School or Less | 18.9 | 10.7 |
| Occupational Aspirations | | |
| Prof. & Managerial | 66.7 | 58.5 |
| Service or Technical | 14.2 | 14.0 |
| Labor & Production | 9.9 | 11.3 |
| Other (entrepreneur, farming, military, etc.) | 10.1 | 16.2 |



Where do you want to live when you are 30 years old?

Live Outside PA:

7th Grade = 25.0%

11th Grade = 30.4%

Live in Rural PA

7th Grade = 37.8%

11th Grade = 32.2%

Don 't Know

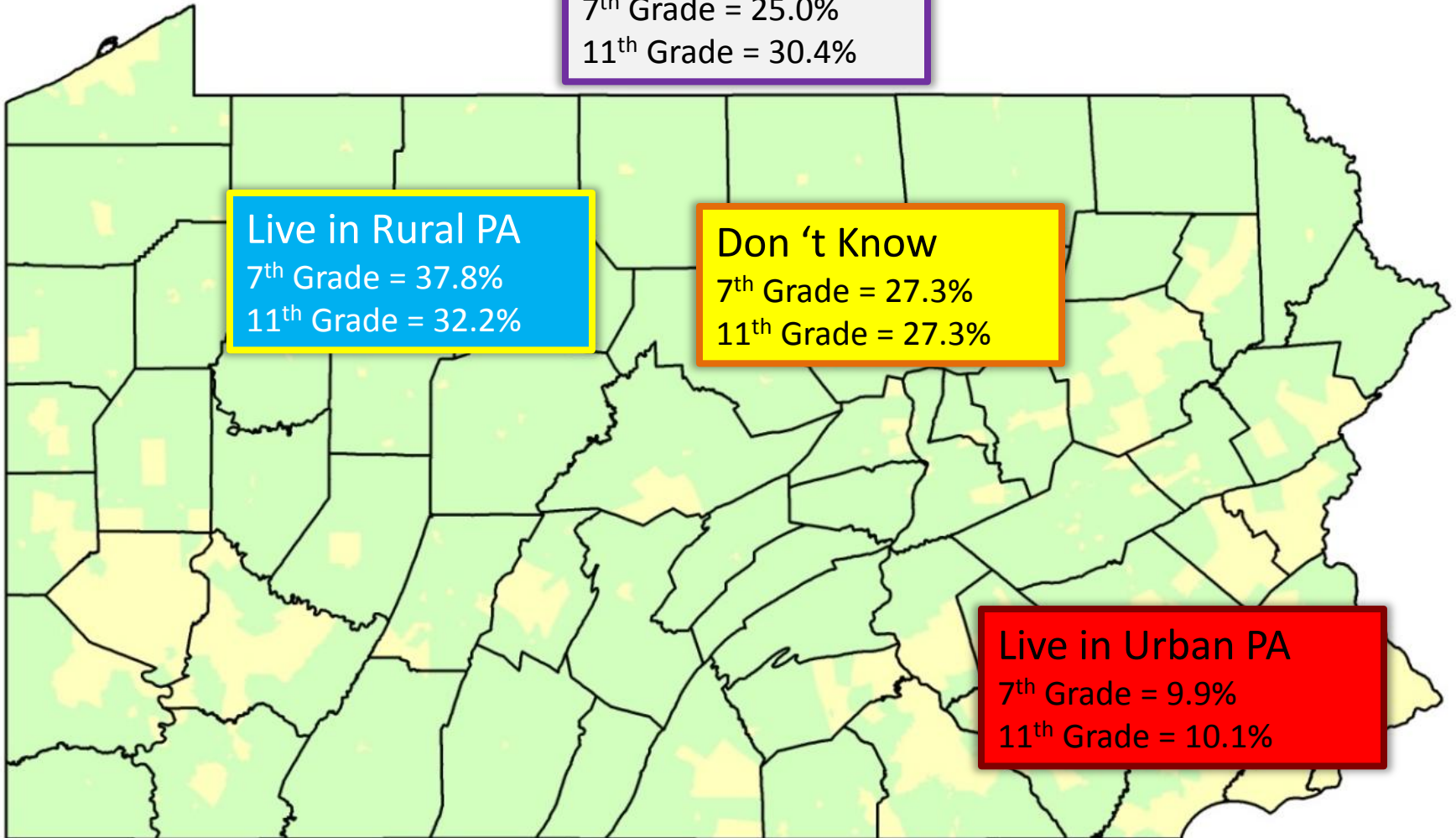
7th Grade = 27.3%

11th Grade = 27.3%

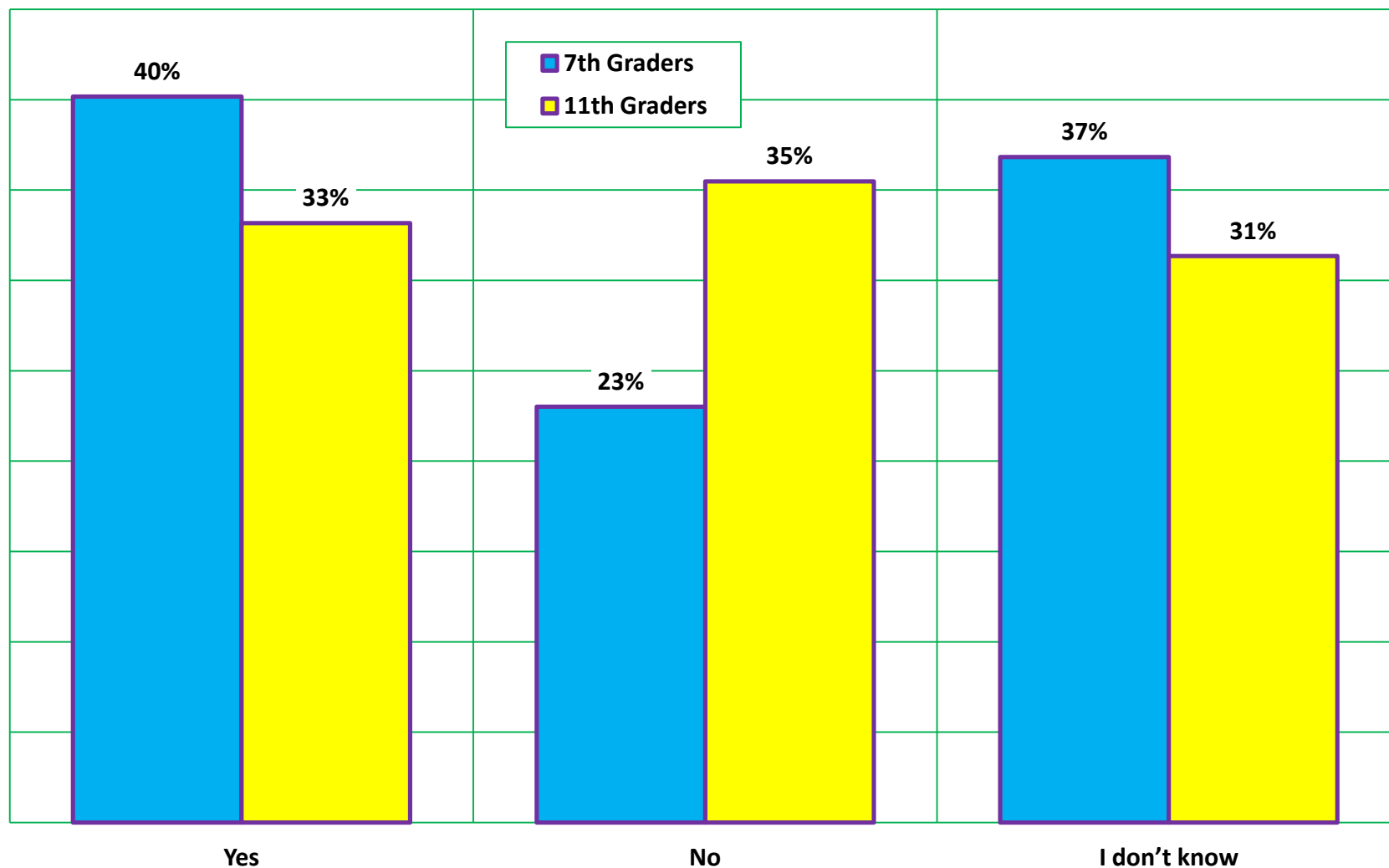
Live in Urban PA

7th Grade = 9.9%

11th Grade = 10.1%



Do You Think People in Your Community are Trying to Make Your Community a Better Place for People Your Age to Live?



What Characteristics of a Community are Important in Selecting a Community as an Adult?



In selecting a place to live as an adult, the following factors were identified as important:

- Good paying jobs
- Cultural opportunities
- Access to high-speed internet at home
- Land used for hiking, hunting and other recreation
- Quality schools and teachers

What Does This Study Tell Us About Youth and Encouraging Them to Stay/Return to Rural Pennsylvania?



- Most youth aspiring to college education do not want to leave.
- 43% said the opportunity to start their own business would make staying more attractive in rural Pennsylvania.
- Rural could retain a substantial share of its youth and encourage others to return once they have attained their educational goals and started families.
- Efforts on youth retention/return should be include the “Risk Takers” and not only the “Best and the Brightest”.

Elk County, Pennsylvania

- Presentation in 2013 to Elk Community Foundation on 2040 Population Projections and Rural Youth survey
- Foundation initiated Long-Range Planning on youth retention/return (20% pop.), and elderly (19% pop) quality of life issues.
- Assets grew from 2013 total of \$8,004,158 to 2014 total of \$8,605,971.
- In 2014, Foundation awarded over \$466,000 in community grants for: human services; health; community development; environment; arts and culture; education; and scholarships.
- Foundation manages 116 funds with 64% of them less than \$25,000
- Elk County population of 31,946 with median household income of \$45,012.





- A national model for its innovative work in community development philanthropy and for its groundbreaking work in using the intergenerational transfer of wealth.
- Received 8,833 contributions in FY2015, the highest ever.
- Administers 220 affiliated funds serving 255 communities in 78 counties.
- \$68.4M – endowed assets \$107.6M total assets
- Since 1994 reinvested \$243.2M in Nebraska and its hometowns

Hometown Community Philanthropy at Work – Nebraska Style

- Rock County (pop. 1,526) Community Fund
Formed April 2014 with the promise of a challenge grant. Raise \$100K by end of 2015 and receive a \$50K unrestricted endowment. Goal achieved by April 2015 -nearly 60 donors each contributing \$1K.
- Bertrand Area (pop. 786) Community Fund
Formed October 2011 with challenge to receive up to \$195K for dollar-for-dollar match. Goal met in 16 mos. Currently has \$483K in total assets.
- Byron (pop. 83) Community Foundation Fund
June 2015 celebrated community center with library/fitness center. On wish list created in 2011. NCF helped Byron develop vision, mission and values statements and long-term endowment-building goals. 20 year goal to have \$7.5M endowment.

What Needs to be Done

- *Rural Champions Join the Cause*
- *Conversations at the Local Level*
- *Engage all Sectors of a Community/Region*
- *Establish Priority Issues/Opportunities for Investment*
- *Develop Strategies, Set goals and Implement*

Questions – Comments?

Thank you!

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